



Fractal Industries Limited

Consumer Discretionary

Price Band: ₹205 to ₹216 per share
Bidding: 16 Feb to 18 Feb, 2026
Listing At: BSE SME
Listing Date: Feb 23, 2026

ESG Rating: Not Rated

ESG Initiatives

- Company has not disclosed ESG related activities

Details of the Issue

Lead Manager	Finaax Capital Advisors Private Ltd.
Market Maker	Shreni Shares Ltd.
Registrar	Kfin Technologies Ltd.

Promoter Holding

Pre-Issue	97.15%
Post-Issue	69.07%

Offer Structure

Market Maker	1,14,000 shares
QIB	10,75,800 shares
Retail	7,54,800 shares
NII	3,24,000 shares
Fresh Issue	22,68,600 shares
Total Issue	₹49.00 Cr

Financial Summary (₹ in Lakhs)

Particular	FY25	FY24
Revenue	8,544.87	4,994.40
EBITDA	1,114.81	405.23
PAT	753.76	226.68

Minimum Application

Category	Lots	Shares	Amount
Retail	2	1,200	₹ 259,200
S-HNI	3-7	1,800-4,200	₹3,88,800-₹9,07,200
B-HNI	8	4,800	₹ 1,036,800

Valuations

NAV(FY25)	28.54
EPS(Pre Issue)	13.70
P/E(Pre Issue)	15.77

Promoters

Mr. Pankaj Bishwanath Agrawal and Mrs. Priti Pankaj Agrawal

Company Overview

Fractal Industries Limited is an end-to-end garment manufacturing and supply chain company serving e-commerce platforms like Myntra, Ajo, and Flipkart across India. It designs, sources, and manufactures fast-moving apparel and provides integrated warehousing, logistics, and order-management support. The company operates through outright bulk sales, the PPMP model for marketplace-owned brands, and direct-to-consumer sales via its own brand "7ate9" (launched May 26, 2025).

Object of the Issue

- Funding working capital requirements: Upto ₹3,650.00 lakhs
- General corporate purposes

Price Band Analysis

At the upper price band of ₹216, Fractal Industries Limited is valued at a post-issue P/E of 22.49x (post-issue EPS ₹9.60) and a P/B of 7.57x, indicating a fair-to-slightly premium valuation that factors in continued growth and stable profitability. Industry outlook remains supportive on the back of digitalisation, e-commerce-led demand, and improving organised apparel penetration, though execution, platform-policy changes, working-capital intensity, and demand volatility remain key risks. Relative to peers, the stock's attractiveness will hinge on timely order execution, margin sustainability, and disciplined working-capital management, which will determine potential re-rating post listing.

Peer Comparison

Company Name	EPS (₹)	NAV (₹)	P/E	RONW (%)
Fractal Industries Ltd	13.70	28.54	15.77	48.02
Bang overseas Ltd	-1.60	64.23		-0.03

Risk Measures:

- The Company derives its entire revenue from a limited number of customers, with the top five customers accounting for 100% of total revenue in FY25. Such high customer concentration exposes the company to significant dependency risk. The loss of, or a material reduction in business from, any of these key customers could adversely affect revenue, profitability, and overall financial performance.
- A substantial portion of the company's revenue is generated through third-party e-commerce platforms such as Myntra, Flipkart, and Ajo. As a result, the company is exposed to risks arising from changes in platform policies, commission structures, search and ranking algorithms, or customer rating mechanisms. Any adverse changes such as higher fees, reduced product visibility, or negative ratings could impact sales volumes, margins, and overall business performance.

Investment Rationale:

- Fractal's shift from a B2B outright sale model to the B2C-focused PPMP model, along with the launch of its proprietary brand "7ate9," increases execution risk by raising exposure to demand forecasting, inventory/returns management, and working-capital intensity. Further, "7ate9" is positioned as a higher-cost, semi-luxury apparel brand, where demand is discretionary and brand-building costs are high, increasing the risk of slower traction and margin pressure if consumer acceptance is weaker than expected.
- Fractal carries elevated financial and concentration risk: as of September 30, 2025, total borrowings were ₹2,462.58 lakhs, with around 86.94% repayable on demand, creating a potential liquidity crunch if lenders recall loans. In parallel, the business is highly customer/platform dependent, with the top 10 customers contributing 100% of FY25 revenue, including heavy reliance on Myntra and Ajo any adverse policy change or contract termination could materially impact, or even eliminate, revenue visibility.
- The shift to the PPMP model is inherently working-capital heavy the company must fund raw material procurement and build inventory upfront, while cash inflows are back-ended and depend on the pace of marketplace sell-through, making earnings and liquidity more sensitive to demand volatility and platform sales cycles. This risk is underscored by the fact that the IPO proceeds are proposed to be used largely for working capital funding (up to ₹3,650.00 lakhs), suggesting ongoing dependence on external capital to sustain the operating cycle.

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Financials (₹ in Lakhs, Except for Percentage & Ratios)

Particular	FY23	FY24	FY25
Revenue From Operations	8,891.11	4,994.40	8,544.87
EBITDA	413.12	405.23	1,114.81
EBITDA Margin (%)	4.65	8.10	13.04
PAT	265.83	226.68	753.76
PAT Margin (%)	2.99	4.54	8.82
EPS	4.83	4.12	13.70
Return on Equity (RoE%)	58.18	32.27	63.20
Return on Capital Employed (RoCE%)	19.14	12.33	25.07
Debt to Equity Ratio	2.38	2.68	1.76

Source: RHP

Revenue Bifurcation (₹ in Lakhs)

Particulars	FY23	FY24	FY25
B2B	8,891.11	4,727.69	643.69
B2C	-	266.70	7,901.18
Total	8,891.11	4,994.39	8,544.87

Customer concentration (% of Revenue)

Particulars	FY23	FY24	FY25
Top 1 Customer	76.90	50.57	88.01
Top 3 Customers	99.98	97.83	99.17
Top 5 Customers	100.00	99.76	100.00

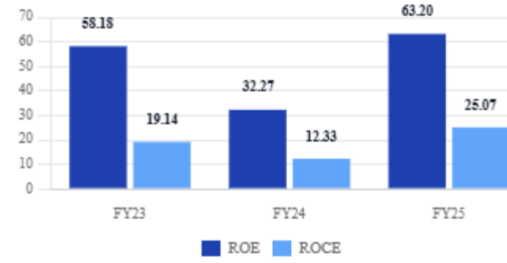
About The Founder



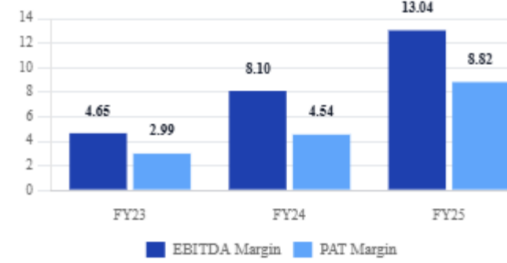
Pankaj Bishwanath Agrawal (52) is the Chairman and Managing Director of the Company. He has completed Part I of a Bachelor of Commerce (B.Com.) from Patna University and has over 22 years of experience in supply chain management and the apparel manufacturing industry. He oversees the Company's production, accounts, and marketing functions.

FINANCIAL HIGHLIGHTS

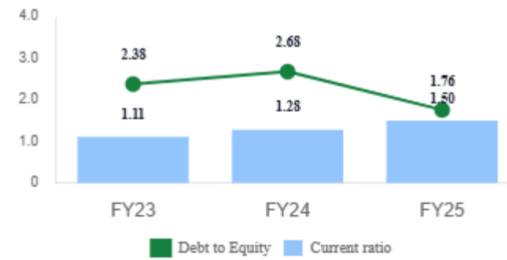
Return Ratios



EBITDA and PAT Margin



Key Ratios:



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